25X1A9a CLASSIFICATION STA Approved For Release 1999/09/09 CIA-RDR82-00457R0027001 INFORMATION COUNTRY Spala DATE DISTR. 29 APR 1949 SUBJECT Miscouragement in Falange Circles NO. OF PAGES 25X1A2g PLACE 25X1A6a NO. OF ENCLS. **ACQUIRED** DATE OF INF SUPPLEMENT TO 25X1X6 REPORT NO

- 1. The belief of cld-guard Falangists that the precarious position of the Valange 18 due to betrayal by its leaders was noted by source in conversations which he had with two Falangists about mid-March 1949.
- 2. A Falangist attached to National Headquarters said that it was true that the Falange was to be disarmed, and that there was no one to resist. Such leaders as Manuel VALDES, he said, had been preoccupied with maintaining their posts and creating sinecures for their relatives. The greatest traitor of all was Raimundo FERNANDEZ CUESTA, who had allowed himself to become the instrument of the Falange's destruction. Jose Luis ARRESE was accused by this Falangist of relaying orders from General FRANCO to TERNANDEZ CUESTA for restrictive measures against the Falange.
 - that he had observed the listlessness of his Falangist acquaintances, most of whom he classed as old-guard members who are considered extremists. Their paramount interest, he said, was to keep their jobs. There are few men capable of leading. Such men as HEDILLA and Juan ESQUER (Catalan Falangist) are considered past their prime and also are reluctant to become involved in now entanglements.
 - 4. Another fanatical Falangist who considers Jose Antonio ELOLA Olase one of the few "docent ones" told source that the Falange Youth leader had expressed regret that he had given himself over to the Falange ideal without a thought of using his position for personal gain, so that he was impoverished while others had lined their pockets.

